
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2799 Session of
2022

INTRODUCED BY DIAMOND, STAMBAUGH, ZIMMERMAN, ROTHMAN, COX,
SCHLEGEL CULVER, GLEIM, GREINER, HAMM, HELM, JONES, KAUFFMAN,
KEEFER, M. MACKENZIE, PENNYCUICK, RAPP, ROWE AND STRUZZI,
SEPTEMBER 7, 2022

REFERRED TO COMMITTEE ON COMMERCE, SEPTEMBER 7, 2022

AN ACT

1 Prohibiting financial institutions from using social credit or
2 environmental, social or governance scores; and imposing
3 penalties.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Liberty,
8 Virtue and Independence Act.

9 Section 2. Findings and declarations.

10 The General Assembly finds and declares as follows:

11 (1) The practice of discrimination against any
12 Commonwealth inhabitants, including individuals, associations
13 and businesses, through use of their social credit score or
14 environmental, social or governance score is a matter of
15 Statewide concern.

16 (2) Discrimination based on the scores not only
17 threatens the rights and privileges of Commonwealth

1 inhabitants, but menaces the institutions and foundation of
2 our free democratic state and threatens the peace, order,
3 health, safety and general welfare of the Commonwealth and
4 its inhabitants.

5 Section 3. Definitions.

6 The following words and phrases when used in this act shall
7 have the meanings given to them in this section unless the
8 context clearly indicates otherwise:

9 "Business." An individual, partnership or corporation
10 engaged in commerce, manufacturing or service.

11 "Environmental, social or governance score." Subjective
12 metrics from a company that investors use to determine the value
13 of the company.

14 "Financial institution." A depository institution, trust
15 company, licensee, person subject to the jurisdiction of the
16 Securities Exchange Commission or person subject to the
17 jurisdiction of the Department of Banking and Securities under
18 the act of December 5, 1972 (P.L.1280, No.284), known as the
19 Pennsylvania Securities Act of 1972.

20 "Social credit score." A system to evaluate the
21 trustworthiness or reliability of an individual based on a
22 complex combination of personal data, like demographic
23 information, online and offline behaviors and social network
24 activity.

25 Section 4. Prohibition.

26 (a) Prohibition.--Except as provided under subsection (b), a
27 financial institution or business conducting a transaction in
28 this Commonwealth, either directly or through the use of an
29 outside contractor, may not discriminate against, advocate for
30 or cause adverse treatment of a citizen or business's practices

1 based on subjective or arbitrary standards such as:

2 (1) social media posts;

3 (2) participation or membership in a club, association
4 or union;

5 (3) political affiliation;

6 (4) employer; or

7 (5) a social credit score or an environmental, social or
8 governance score or other similar values.

9 (b) Exceptions.--

10 (1) Subsection (a) shall not apply if the practice is
11 fully disclosed to the potential customer before a customer
12 and business enter into a business transaction.

13 (2) Subsection (a) shall not prohibit a financial
14 institution or business from discontinuing or refusing to
15 conduct a transaction with an individual account holder or
16 potential customer if the action is necessary for the
17 physical safety of its employees.

18 (c) Subjective standards.--Notwithstanding subsection (a), a
19 financial institution or business may offer customers
20 investments, products and services that include subjective
21 standards, if the standards are disclosed and explained to any
22 potential customer or investor before entering into a contract
23 for the products or services.

24 Section 5. Enforcement.

25 (a) Violations.--A financial institution or business
26 violating section 4(a) shall be subject to:

27 (1) A fine of \$50,000 for a first offense.

28 (2) A fine of \$250,000 for a second and each subsequent
29 offense.

30 (b) Criminal prosecution.--If a financial institution or

1 business has five or more offenses, criminal prosecution may be
2 included along with a fine assessed under subsection (a).

3 Section 6. Effective date.

4 This act shall take effect January 1, 2023.